



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 120-40 – Professional Boxing and Wrestling Event Regulations
Department of Professional and Occupational Regulation
July 25, 2007

Summary of the Proposed Amendments to Regulation

The Department of Professional and Occupational Regulation (Department) proposes to amend the regulation to eliminate the Professional Boxing and Wrestling Task Force.

Result of Analysis

The benefits likely exceed the costs for the proposed regulatory change.

Estimated Economic Impact

The current regulation 18 VAC 120-40-60 authorizes the Professional Boxing and Wrestling Task Force. The proposed amendment will repeal this regulation, thereby eliminating the Task Force. The reason for the change is the statutory creation of the Professional Boxing, Wrestling and Martial Arts Advisory Board (Board) effective 07/01/07 (2007 Acts of Assembly, Ch.853). Like the Board, the Task Force is appointed by the Department director and members serve the director as advisors on any matters relating to professional boxing and wrestling events in the Commonwealth. The Task Force is composed of five members: one representative of the sport of boxing, one representative of the sport of wrestling, one representative of the sport of boxing or wrestling and two citizen members. The Board is composed of seven members: one representative of the sport of boxing, one representative of the sport of wrestling, one representative of the sport of nontraditional mixed martial arts, one representative of either the sport of boxing, wrestling or nontraditional mixed martial arts, one member who is a martial arts instructor who has obtained the rank of black belt or higher, and two citizen members. Other than the increased structure that the legislation gives the Board (e.g., the Board will elect a chairman and vice chairman from among its members, the Board will meet monthly to conduct its business

or upon the call of the Director or chair, etc.), the only significant difference between the Task Force and the Board is in their composition.

The benefit of the elimination of the Task Force is avoiding the duplication of tasks: the Board serves the same purpose as the Task Force. The cost is that with the addition of the martial arts representation, the wrestling and boxing communities will have less of a voice on the Board than they do on the Task Force. This could impact the wrestling and boxing communities. However, because the Task Force already has one member who is a representative of the sport of martial arts (because martial arts falls under the category of boxing) and because discussions with the wrestling community indicate that the elimination of the Task Force will not have an impact, the benefit of this amendment should outweigh the cost.

Businesses and Entities Affected

The proposed changes will affect the 100 boxers, 496 wrestlers, 27 promoters, 119 trainers, seconds, and cutmen, and 14 managers in the Commonwealth of Virginia as of July 1, 2007.

Localities Particularly Affected

The proposed change does not disproportionately affect any specific localities in the Commonwealth.

Projected Impact on Employment

The proposed change is not anticipated to have any impact on employment.

Effects on the Use and Value of Private Property

The proposed change is not anticipated to have any effect on the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed change is not anticipated to add cost or otherwise affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposal does not add cost or otherwise affect small businesses.

Real Estate Development Costs

The proposed amendments do not create additional costs related to the development of real estate for commercial or residential purposes.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.